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TAGS: [PGOV](#) [PREL](#) [NATO](#) [EU](#) [DA](#)  
SUBJECT: DENMARK'S NEW PRIME MINISTER

Classified By: CDA, a.i. Terence McCulley, reasons 1.4b,d

¶1. (C) Summary: A scant 72 hours after formally declaring his candidacy for NATO Secretary General, Danish Prime Minister Anders Fogh Rasmussen, his new post in hand, stepped down as prime minister April 5 in favor of his hand-picked successor, 44-year-old Finance Minister Lars Lokke Rasmussen. Lars Lokke immediately assumed office and now confronts a deepening recession, unfavorable comparisons with his imposing predecessor and a resurgent -- if still relatively powerless -- opposition. With elections not mandated until late 2011, these next months and years will be rebuilding ones for Lars Lokke and his government, marked by efforts to freshen, but essentially sustain current approaches, especially in foreign policy. A brief biographic summary for the new prime minister is at paragraph 10. End summary.

PM Transition: That Was Fast  
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¶2. (SBU) Although Anders Fogh Rasmussen's interest in the NATO position had been widely known (albeit unconfirmed) for months, the prime minister's appointment to the post and his subsequent resignation came suddenly over the weekend of April 4-5. Wasting little time after his selection at the close of the Strasbourg Summit, Anders Fogh returned to Copenhagen, and, in the following day, said goodbye to his staff, consulted his coalition partners, submitted his resignation and presented his successor to the Danish queen for appointment. By Sunday afternoon, Denmark had abruptly but seamlessly transitioned from one prime minister named Rasmussen to another.

¶3. (SBU) Denmark's political system allows for such transfers of power without new elections or parliamentary action, provided that there is no parliamentary majority opposing the new prime minister. With a thin but reliable majority backing the Liberal-Conservative coalition government, supported by the Danish Peoples' Party and the Liberal Alliance, Lars Lokke can expect to serve out the remainder of the current government's term. The government can call new elections at any time, but they must take place no later than November 2011.

¶4. (SBU) In brief remarks after his appointment, the new prime minister emphasized broad continuity in policy, declared himself humbled, and pledged to "work very hard." On foreign policy, Lars Lokke said he views Anders Fogh's appointment as NATO Secretary General as a measure of the success of his policies, which he will maintain. His team has signaled that Lars Lokke will move quickly to name his own replacement as finance minister and to fill the welfare minister position vacated last week, but a more ambitious cabinet reshuffle will not happen until later in the year.

Hard Road Ahead for Lars Lokke  
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15. (C) Lars Lokke Rasmussen has ample reason to stress his humility and industry to the Danish public. Anders Fogh Rasmussen, who won three national elections and dominated Danish political life for the past eight years, would be a hard act to follow in any case. The challenges facing the new prime minister are especially great, however, handicapped as he is by an evident lack of gravitas and taking over as the Danish economy sinks more deeply into recession. His public standing battered over the past year by allegations of public expense account abuse (especially unfortunate in a society renowned for its lack of public corruption), Lars Lokke is widely viewed as an intelligent, capable official but -- according to all surveys -- not the Danish public's first or even second choice to lead the country.

16. (C) Moreover, as outgoing finance minister, Lars Lokke is personally identified with the current economic crisis and stands to suffer particularly badly if the situation in Denmark worsens, as most experts forecast. Although the Danish economy has so far gotten off lightly compared to others, unemployment is predicted to more than double by next year. When that happens, Lars Lokke may be called to account for the Danish government's modest response -- a small stimulus and some tax reform -- and find himself unable to shift responsibility to anyone else.

17. (C) Recent opinion surveys indicate that the Danish public has anticipated the change in leadership, and the verdict is not positive for the government. Even before Anders Fogh's departure, the center-left parties have vaulted in the polls to a solid combined parliamentary majority, reflecting concern about the economy, fatigue after eight years in office for the current government, and greater coordination among the potential center-left coalition partners. Having come close in November 2007, the opposition is delighted with Anders Fogh's departure and now views victory in the next elections as all but inevitable. Fortunately for the new prime minister, though, the timing of the next elections rests with the government and not with poll results, however unfavorable.

18. (C) Liberal Party leaders tell us privately that they recognize Lars Lokke's shortcomings, but expect that his stature will naturally rise once in office and that Danes will quickly embrace him as a leader. One cautioned against making too much of the contrast in style between Anders Fogh and Lars Lokke, arguing that the down-to-earth, gregarious Lars Lokke is more in keeping with Danish political tradition than the reserved Anders Fogh. It also helps Lars Lokke to mark some change from his predecessors (hence the expectation of a major cabinet reshuffle), at a time when voters are apparently ready for change.

#### Partnership with U.S. Intact

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19. (C) Continuity may not be exciting or help advance the government's efforts to revitalize itself politically, but here United States interests are most definitely served. Lars Lokke Rasmussen lacks significant foreign policy experience and can be expected to hew closely to what has, in his words, worked well so far. All indications are that the government will sustain its key policies of active engagement in concert with us and European allies, including in priority missions such as in Afghanistan and in Kosovo. Changes in the foreign and defense portfolios are not expected in the short term, and we anticipate that the new prime minister will rely heavily on those steady hands.

#### Biographic Summary

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110. (SBU) Biographic summary: Lars Lokke Rasmussen has served as Danish cabinet minister twice (Minister of Finance 2007-present, Minister of Interior and Health 2001-2007), vice-chairman of the Liberal Party (since 1998) and as a local mayor (1998-2000). Born May 15, 1964 in Vejle (Jutland), Rasmussen holds a master's degree in law from the

University of Copenhagen. PM Anders Fogh Rasmussen's loyal number two within the party and a close ally in government, Lars Lokke is viewed as a sharp political strategist in his own right, albeit less formal and more outgoing than his patron. He is married to Solrun Lokke Jakupsdottir (Rasmussen), who hails from Denmark's Faroes Islands. Lars Lokke is a former International Visitor Program grantee (1989) and speaks fluent English.

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